



January 18, 2012

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Honorable J. Frederick Motz
United States District Judge
USDC - District of Maryland
101 West Lombard Street
Baltimore, Maryland 21201

Daniel A. Pollack
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Re: MDL 1586, Franklin Templeton Sub-Track

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Dear Judge Motz:

Within minutes of our filing the letter seeking the intervention of the Court in the Franklin Parent Derivative Action, Counsel for Plaintiff filed a purported Notice of Voluntary Dismissal Without Prejudice. This is nothing more than an attempted "end run" around the Federal Rules of Civil Procedure.

Rule 23.1(c) clearly provides that a derivative action may be voluntarily dismissed "only with the court's approval." No approval was sought by Counsel for Plaintiff, nor should approval be granted if sought. We ask that Your Honor decline to recognize the purported "Notice" because this action should be dismissed *with* prejudice, not without prejudice.¹

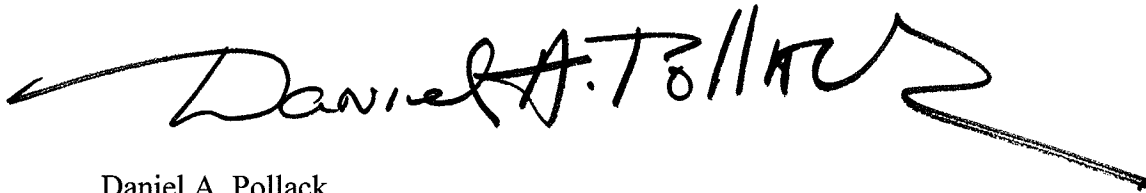
It is hornbook law that the plaintiff in a derivative action must be a shareholder, and must make pre-suit demand before instituting a derivative action (or allege, with specificity, the reasons for not making such a demand). To the best of our knowledge, Hedi Hertz is not a shareholder of Franklin Resources, Inc. nor, of course, did she make pre-suit demand or satisfactorily allege "futility" of demand.

¹ I had correspondence with Counsel for Plaintiff (Mr. Lifshitz) earlier today (before he filed his purported "Notice") in which we explicitly rejected his proposal of a voluntary dismissal without prejudice.

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This attempt by Counsel for Plaintiff to wriggle out from under a dismissal *with* prejudice should not be recognized or countenanced by this Court in these circumstances. This case should be brought to an end, *with* prejudice, once and for all. We renew our request for a telephone conference with the Court.

Respectfully,

A handwritten signature in black ink, reading "Daniel A. Pollack". The signature is stylized with a long horizontal line extending to the left and a sharp upward curve at the end.

Daniel A. Pollack
Counsel for Franklin Templeton Defendants

cc: Joshua Lifshitz, Esq.
Counsel for Plaintiff in the
Parent Derivative Action

John B. Isbister, Esq.